

continue to be covered by the applicable Federal laws and regulations that would apply to them in the absence of this part. All personnel actions affecting DoD employees will be based on the Federal laws and regulations applicable to them on the effective date of the action.

(d) Any new NSPS classification, pay, and performance management system covering Senior Executive Service (SES) members will be consistent with the policies and procedures established by the Governmentwide SES pay-for-performance framework authorized by 5 U.S.C. chapter 53, subchapter VIII, and applicable OPM regulations. If the Secretary determines that SES members employed by DoD should be covered by classification, pay, and performance management provisions that differ substantially from the Governmentwide SES pay-for-performance framework, the Secretary and the Director will issue joint regulations consistent with all of the requirements of 5 U.S.C. 9902.

(e) At his or her sole and exclusive discretion, the Secretary may decide to rescind the application of one or more subparts of this part to a particular category of employees or an organization or functional unit, subject to § 9901.372 and any related implementing issuances. The Secretary will notify affected employees and labor organizations in advance of a decision to rescind the application of one or more subparts of this part to them.

(f)(1) Notwithstanding any other provision of this part, but subject to paragraphs (f)(2) and (3) of this section, the Secretary may, at his or her sole and exclusive discretion, decide to apply one or more subparts of this part as of a specified effective date to a category of employees in organizational and functional units not currently eligible for coverage because of coverage under a system established by a provision of law outside the waivable or modifiable chapters of title 5, U.S. Code.

(2) Paragraph (f)(1) of this section applies only if the provision of law outside those waivable or modifiable title 5 chapters provides discretionary authority to cover employees under a given waivable or modifiable title 5 chapter or to cover them under a sepa-

rate system established by the Secretary.

(3) In applying paragraph (f)(1) of this section with respect to coverage under subparts B and C of this part, the affected employees will be converted directly to the NSPS pay system from their current pay system. The conversion of such employees into NSPS will be governed by the rules in §§ 9901.231 and 9901.371 and applicable implementing issuances prescribed by the Secretary under §§ 9901.231(b) and 9901.371(b).

#### § 9901.103 Definitions.

In this part:

*Appraisal period* means the period of time for reviewing employee performance (as described in § 9901.411).

*Band* means *pay band*.

*Basic pay* means an employee's pay before any deductions and exclusive of additional pay of any kind, except as expressly provided by applicable law or regulation. For the specific purposes prescribed in § 9901.331(d) only, basic pay includes any local market supplement. In subpart C, when basic pay is exclusive of any additional pay, the term "base salary" is used, and when basic pay includes a local market supplement, the term "adjusted salary" is used.

*Career group* means a grouping of one or more associated or related occupations. A career group may include one or more pay schedules.

*Comparable pay band* or *comparable level of work* means pay bands with the equivalent level of work, based on the NSPS classification structure, within and across varying pay schedules and career groups, regardless of the specific earning potential of the bands. When moving from a non-NSPS position to NSPS, the band of the NSPS position is determined to be at a comparable level of work to the grade or level of the non-NSPS position based on application of the NSPS classification structure, as described in implementing issuances.

*Competencies* means the measurable or observable knowledge, skills, abilities, behaviors, and other characteristics that an individual needs to perform a particular job or job function successfully.

*Component* means the Office of the Secretary of Defense (OSD), the Military Departments, Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense.

*Contributing factor* means attributes of job performance that are significant to the accomplishment of individual job objectives.

*Contribution* means a work product, service, output, or result provided or produced by an employee or group of employees that supports the Departmental or organizational mission, goals, or objectives.

*Day* means a calendar day, unless expressly provided otherwise under applicable law or regulations.

*Department or DoD* means the Department of Defense.

*Director* means the Director of the Office of Personnel Management.

*Employee* has the meaning given that term in 5 U.S.C. 2105.

*General Schedule* or *GS* means the General Schedule classification and pay system established under chapter 51 and subchapter III of chapter 53 of title 5, U.S. Code.

*Higher pay band or higher level of work* means a pay band designated to be a higher level of work than an employee's currently assigned band, based on the NSPS classification structure, either within or across varying pay schedules and career groups, regardless of the specific earning potential of the band. When moving from a non-NSPS position to NSPS, the band of the NSPS position is determined to be at a higher level of work than the grade or level of the non-NSPS position based on application of the NSPS classification structure, as described in implementing issuances.

*Implementing issuance(s)* means a document or documents issued by the Secretary, Deputy Secretary, Principal Staff Assistants (as authorized by the Secretary), or Secretaries and Under Secretaries of the Military Departments to establish or carry out a policy or procedure implementing this part. These issuances may apply De-

partment-wide or to any part of DoD as determined by the Secretary.

*Job objective* means an expression of performance expectations in the performance plan that is aligned with the organization's goal(s) and mission(s).

*Lower pay band or lower level of work* means a pay band designated to be a lower level of work than an employee's currently assigned band, based on the NSPS classification structure, either within or across varying pay schedules and career groups, regardless of the specific earning potential of the band. When moving from a non-NSPS position to NSPS, the band of the NSPS position is determined to be at a lower level of work than the grade or level of the non-NSPS position based on application of the NSPS classification structure, as described in implementing issuances.

*Military Department* means the Department of the Army, the Department of the Navy, or the Department of the Air Force.

*National Security Personnel System (NSPS)* means the human resources management system established under 5 U.S.C. 9902(a) and the regulations in this part.

*Occupational series* means a group or family of positions performing similar types of work. Occupational series are assigned a number for workforce information purposes (e.g., 0110, Economist Series; 1410, Librarian Series).

*OPM* means the Office of Personnel Management.

*Pay band or band* means a work level and associated pay range within a pay schedule.

*Pay pool* means the organizational elements/units or other categories of employees that are combined for the purpose of determining performance payouts. Each employee is in only one pay pool at a time. *Pay pool* also refers to the funds designated for performance payouts to employees covered by a pay pool.

*Pay Pool Manager* means the management official designated to manage the pay pool, resolve discrepancies, ensure consistency and equity within the pay pool, and approve recommendations concerning employee rating of record,

share assignment, and payout distribution between base salary increases and bonuses.

*Pay Pool Panel* means management officials of the organizations or functions represented in the pay pool who assist the Pay Pool Manager in the reconciliation of recommended ratings of record, share assignments, and payout distribution. The Pay Pool Panel includes the Pay Pool Manager.

*Pay schedule* means a set of related pay bands for a specified category of employees within a career group.

*Performance* means accomplishment of work assignments or responsibilities and contribution to achieving organizational goals, including an employee's behavior and professional demeanor (actions, attitude, and manner of performance), as demonstrated by his or her approach to completing work assignments.

*Performance Review Authority* means one or more management officials who manage and oversee the operation of one or more pay pools and ensure procedural and funding consistency among pay pools under its authority.

*Principal Staff Assistants* means senior officials of the Office of the Secretary who report directly to the Secretary or Deputy Secretary of Defense.

*Promotion* means the movement of an employee from one pay band to a higher pay band while continuously employed. This includes movement of an employee currently covered by a non-NSPS Federal personnel system to an NSPS position determined to be at a higher level of work.

*Rating of record* means the final numerical rating and associated narrative justification assigned to a performance appraisal by a Pay Pool Manager—

(1) After completion of an appraisal period covering an employee's performance of assigned duties against performance expectations over the applicable period; or

(2) As needed following an unacceptable rating of record to reflect a substantial and sustained change in the employee's performance since the last rating of record.

*Reassignment* means the movement of an employee, either employee-initiated or management-directed, to a different position or set of duties in the same or

a comparable pay band while continuously employed. This includes the movement of an employee currently covered by a non-NSPS Federal personnel system to an NSPS position determined to be at a comparable level of work.

*Reduction in band* means the voluntary or involuntary movement of an employee from one pay band to a lower pay band on a permanent basis while continuously employed. This includes movement of an employee currently covered by a non-NSPS Federal personnel system to an NSPS position determined to be at a lower level of work.

*Secretary* means the Secretary of Defense, consistent with 10 U.S.C. 113.

*SES* means the Senior Executive Service established under 5 U.S.C. chapter 31, subchapter II.

*SL/ST* refers to an employee serving in a senior-level position paid under 5 U.S.C. 5376. The term "SL" identifies a senior-level employee covered by 5 U.S.C. 3324 and 5108. The term "ST" identifies an employee who is appointed under the special authority in 5 U.S.C. 3325 to a scientific or professional position established under 5 U.S.C. 3104.

*Unacceptable performance* means performance of an employee which fails to meet one or more performance expectations, as amplified through work assignments or other instructions, for which the employee is held individually accountable.

#### § 9901.104 Scope of authority.

The authority for this part is 5 U.S.C. 9902. The provisions in the following chapters of title 5, U.S. Code, and any related regulations, may be waived or modified in exercising the authority in 5 U.S.C. 9902:

(a) Chapter 43, dealing with performance appraisal systems;

(b) Chapter 51, dealing with General Schedule job classification;

(c) Chapter 53, dealing with pay for General Schedule employees, and pay for certain other employees, except as provided in § 9901.303; and

(d) Chapter 55, subchapter V, dealing with premium pay, except sections 5544 and 5545b.